

Message Text

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ACTION AF-10

INFO OCT-01 ISO-00 EUR-12 EB-08 OMB-01 TRSE-00 AID-05
CIAE-00 DODE-00 PM-05 H-01 INR-07 L-03 NSAE-00
NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 COME-00
FEAE-00 /083 W

-----066041 101215Z /44

R 100754Z AUG 77
FM AMEMBASSY LUSAKA
TO SECSTATE WASHDC 6305
INFO AMEMBASSY ROME

C O N F I D E N T I A L LUSAKA 2342

E.O. 11652: GDS
TAGS: EIND, MASS, ZA, IT
SUBJ: ITALY BACKS OFF IN ZAMBIA

1. THE GOVERNMENT OF ITALY APPEARS TO BE TAKING A HARD LOOK AT ITS ZAMBIAN COMMITMENTS AND INDICATIONS ARE THAT ITALY WILL NOT BE UNDERTAKING ANY NEW PROJECTS IN ZAMBIA. THE FIAT ASSEMBLY PLANT IN LIVINGSTONE, DESIGNED TO PRODUCE SOME 30 CARS PER DAY, IS REPORTED TO BE DOWN TO 5 UNITS PER DAY BECAUSE OF A SHORTAGE OF IMPORTED COMPONENTS. ACCORDING TO THE ITALIAN AMBASSADOR, ITALY IS REFUSING TO SUPPLY ADDITIONAL COMPONENTS WITHOUT PAYMENT IN ADVANCE BECAUSE OF THE HUGE AMOUNT OF MONEY OWED FIAT FOR PREVIOUS SHIPMENTS.

2. THE AMBASSADOR SAID THAT THE GOVERNMENT OF ZAMBIA HAD APPROACHED ITALY FOR THE SUPPLY OF MILITARY EQUIPMENT BUT THAT BECAUSE OF THE AMOUNTS OWED TO FIAT, ITALY WOULD NOT SUPPLY ARMS ON A CREDIT BASIS.

3. WHILE THE FIAT SITUATION MAY BE ONLY A CONVENIENT EXCUSE FOR TURNING DOWN THE ARMS REQUEST, ITALY HAS HAD SIGNIFICANT EXPOSURE IN ZAMBIA AND MAY BE CONCERNED ABOUT ADDITIONAL COMMITMENTS. AN ITALIAN CONSTRUCTION FIRM HAS A \$50 MILLION
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CONSTRUCTION CONTRACT ON PHASE TWO FHTE ITEZHI-TEZHI DAM PROJECT. AN AFFILIATE OF ITALY'S ENI CONSTRUCTED AND EXPANDED THE DAR ES SALAAM TO NDOLA PIPELINE (TAZAMA) AND THIS INVOLVED A TOTAL OF \$69 MILLION IN LOANS FROM THE ITALIAN GOVERNMENT OR PRIVATE ITALIAN COMPANIES. THE SAME CONSTRUCTION FIRM BUILT THE INDENI REFINERY IN NDOLA FINANCED BY A \$31 MILLION LOAN FROM THE GOVERNMENT OF ITALY. ANIC,

ANOTHER ENI SUBSIDIARY, OWNS 50 PERCENT OF THE REFINERY
(50 PERCENT IS ZAMBIAN GOVERNMENT OWNED) AND OPERATES THE
REFINERY AS WELL.
CLINGERMAN

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DEVELOPMENT PROGRAMS, FOREIGN INVESTMENTS
Control Number: n/a
Copy: SINGLE
Sent Date: 10-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977LUSAKA02342
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
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Format: TEL
From: LUSAKA
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1977/newtext/t19770877/aaaacnhd.tel
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Litigation Codes:
Litigation History:
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Office: ACTION AF
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
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Retention: 0
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Review Exemptions: n/a
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Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1648422
Secure: OPEN
Status: NATIVE
Subject: ITALY BACKS OFF IN ZAMBIA
TAGS: EIND, MASS, ZA, IT
To: STATE
Type: TE
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